



Rule Up For Discussion and Possible Filing

Proposed Amendments to

WAC 230-20-059

Minimum cash flow requirements for bingo games--Contributions to stated purpose -- Sanctions.

ITEM 15 (a) on the April 11, 2003, Commission Meeting Agenda.

Statutory Authority 9.46.070

Who proposed the rule change?

Mr. Ronnie Strong, President of the Charitable Nonprofit Voice

Why is this rule change needed?

We have received a Petition for Rule Change from Mr. Ronnie Strong, President of the Charitable Nonprofit Voice (CNPV). The Petitioner is requesting that the agency rules committee review petitions for variances prior to the Commission's review to ensure that the bingo operator qualifies for the variance. The Petitioner is requesting that "one time only" provision for variances be removed, which would allow licensees to apply for variances each year. In addition, the Petitioner is asking the language "as of the effective date of this rule" in the "long-term, legally binding financial obligation" section be removed; the petition also allows a licensee to qualify for a variance each time they enter into a new lease. In addition, the Petitioner wants language added so that if a licensee is not within ten percent of the cash flow requirements, they may petition the Commission if they have met one of several reasons, such as "circumstances outside the control of the licensee that directly impact customer flow of the bingo game."

Staff does not support the petitioner's request for several reasons:

- 1) One of the goals when the cash flow rules were first passed was to streamline the process. The Petition adds extra steps to the process, making it even more complicated. The ability to apply for variances year after year defeats the intent of the cash flow rules.
- 2) The petitioner is requesting a quasi-judicial function be given to the Agency Rules Team. This function should be performed by the Commission, Director or an Administrative Law Judge (ALJ).
- 3) Additionally, even if the Rules Team reviewed the petitions initially, the Commission would continue to hear petitions for variances, as they do now. It does not change that part of the current process.
- 4) The standards set forth in subsection (5)(c) a)-d) are not clear and articulable and would provide further room for debate.

Attached:

Letter from Mr. Strong dated March 24, 2003;
Letter dated March 26, 2003 from members of the CNPV; and
Proposed amendment to WAC 230-20-059.

Statements against the proposed rule change.

None at this time.

Which licensees will be directly impacted?

Bingo operators.

What are the potential impacts to the agency?

The agency would incur significant hearing costs, investigative and audit costs, and additional Commission time and costs.

Staff recommendation.

Deny the Petition.